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REUTER

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AM-CIA-OIL

WASHINGTON, OCT 17, REUTER - THE DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY WARNED AMERICANS TONIGHT THAT UNLESS THE UNITED STATES TAKES MAJOR CONSERVATION MEASURES ON ENERGY IT FACES A DIFFICULT FUTURE.

STANSFIELD TURNER SAID: ''WE MUST GET CONTROL OF OUR ENERGY USAGE OR FACE PROBLEMS.''

HE REITERATED IN REMARKS BEFORE A CONGRESSIONAL AND INDUSTRY GROUP CALLED THE ''ALLIANCE TO SAVE ENERGY'' THAT DEMAND FOR ENERGY WILL OUTSTRIP SUPPLY IN THE YEARS AHEAD.

HE SAID THAT THE SOVIET UNION WOULD SHORTLY BECOME AN ENERGY IMPORTER ALTHOUGH IT MAY HAVE LARGE, UNTAPPED SURPLUSSES OF OIL AND GAS YET TO BE DISCOVERED.

MR TURNER'S REMARKS DIFFERED LITTLE FROM A CIA REPORT RELEASED BY THE AGENCY THIS SUMMER.

HE SAID THAT THE MIDDLE EAST REMAINED A POLITICAL TINDERBOX AND IT APPEARED A CERTAINTY THAT IN THE YEARS AHEAD THERE COULD BE OIL REDUCTION PROBLEMS FOR THE WEST SIMILAR TO IRAN'S.*

MORE 2320

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AM-CIA-OIL 2 WASHINGTON

THE GROUP WILL BE ADDRESSED TOMORROW BY SAUDI ARABIAN OIL MINISTER AHMED ZAKI YAMANI WHO EARLIER THIS WEEK TOLD A WASHINGTON GATHERING THAT THE WORLD OIL MARKET WAS GOING OUT OF CONTROL AND THAT CONSUMING NATIONS MUST ACT TO CONTROL USAGE BEFORE IT WAS TOO LATE.

THE SAUDI MINISTER'S REMARKS FOLLOWED INCREASES IN THE PRICE OF OIL ANNOUNCED THIS WEEK BY LIBYA AND IRAN OF ABOUT 2.80 DOLLARS PER BARREL, RAISING THE PRICE ABOVE THE 23.50 DOLLAR CEILING AGREED TO BY THE ORGANIZATION OF PETROLIUM EXPORTING COUNTRIES.

SAUDI ARABIA SELLS ITS OIL AT 18 DOLLARS PER BARREL AND HAS INCREASED PRODUCTION TO 9.5 MILLION BARRELS A DAY FROM 8.5 BARRELS A DAY TO OFFSET THE REDUCTION BY IRAN AND TO CALM VOLATILE OIL PRICES.*

REUTER 2321

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